

## Message Text

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42

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

COME-00 FRB-03 INR-07 NSAE-00 USIA-06 XMB-02 OPIC-03

LAB-04 SIL-01 L-03 H-02 PA-01 PRS-01 INT-05 OES-03

FEA-01 /106 W

----- 118782

R 211236Z DEC 75

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 4850

INFO AMEMBASSY ANKARA

USINT BAGHDAD

AMEMBASSY BEIRUT UNN

AMEMBASSY CAIRO

AMEMBASSY ISLAMABAD

AMEMBASSY JIDDA

AMEMBASSY KABUL

AMEMBASSY KUWAIT

AMEMBASSY NEW DELHI

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EO 11652: NA

TAGS: ECRP, EFIN, EINV, EALR, IR

SUB: IRAN'S BALANCE OF PAYMENTS - CERT 0102

REF: A)TEHRAN 11097, B) TEHRAN A-241 OF NOV. 26, 1975

C) TEHRAN A-257 OF DEC 18, 1975

1. THIS REPORT PROVIDES SUMMARY DATA AND COMMENTS FROM REF C, WHICH REPORTS IRAN'S BALANCE OF PAYMENTS FOR THE FIRST SIX MONTHS (MARCH 21 TO SEPTEMBER 21, 1975) OF IRANIAN YEAR 1354. THE SIGNIFICANT DEVELOPEMENT IN THE SECOND QUARTER WAS THE FIRST MOVEMENT IN RECENT YEARS TO OVERALL DEFICIT, WHICH FOR THE SIX  
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MONTHS WAS \$200 MILLION. BY ITSELF THIS DOES NOT APPEAR ALARMING,

BUT THE FIRST SIX MONTH' RECEIPTS INCLUDE SEVEN MONTHS' OIL REVENUES, APART FROM WHICH THE DEFICIT CONCEIVABLY COULD HAVE BEEN ABOUT DOLLARS 1.5 BILLION. NOTEWORTHY IN THE CURRENT ACCOUNT RECEIPTS DATA IS THE MODEST 12 PERCENT INCREASE IN OIL EXPORT REVENUES OVER THE SAME PERIOD LAST YEAR. GAS EXPORTS AT DOLS 142 MILLION ARE UP 358 PERCENT, BUT NON OIL/NON GAS EXPORTS ARE DOWN 14 PERCENT. IMPORT PAYMENTS (CIF) FOR THE SIX MONTHS TOTALLED DOLS 8.4 BILLION, UP 112 PERCENT ON THE YEAR.

2. THE CENTRAL BANK OF IRAN (CBI) CONSOLIDATES UNDER "SERVICES" ALL NON-MERCHANDISE CURRENT ACCOUNT FLOWS. SERVICE RECEIPTS, AT DOLS 872MILLION, ARE UP A MODEST 23 PERCENT, BUT SERVICE PAYMENTS INCREASED 107 PERCENT OVER THE FIRST HALF OF IRANIAN YEAR 1353 TO DOLS 2,166 MILLION. CAPITAL FLIGHT, ESTIMATED BY A CBI OFFICIAL AS RUNNING ABOUT DOLS 100 MILLION A MONTH, IS CONTAINED BOTH IN THE SERVICES AND IMPORT DATA (IMPORTS PREPAID AND THEN CANCELLED). THE CURRENT ACCOUNT SURPLUS OF DOLS 1,434 MILLION COMPARES WITH A SURPLUS OF DOLS 5,338 MILLION IN THE FIRST HALF OF YEAR 1353. GIVEN THE EXTRA OIL EXPORT PAYMENT IN THE FIRST HALF OF THE YEAR, THE CONTINUING SOFTNESS IN OIL LIFTINGS AND THE TREND IN IMPORTS, THE CBI'S NOVEMBER FORECAST (REF A) OF A CURENT ACCOUNT SURPLUS OF DOLS 2 BILLION FOR THE YEAR 1354, ENDING MARCH 20, 1976, IS PROBABLE.

3. NOTABLE IN THE CAPITAL ACCOUNT ARE THE INCREASES IN PRIVATE BORROWINGS AND FOREIGN ASSISTANCE. AT DOLS 231 MILLION, PRIVATE FOREIGN BORROWINGS WERE UP 235 PERCENT FROM LAST YEAR. FOREIGN ASSISTANCE DISBURSEMENTS REACHED DOLS 1,166 FOR THE SIX MONTHS. OF THIS AMOUNT DOLS 10 MILLION WAS GRANT AID, AND SINCE WE DOUBT MUCH WAS INVESTMENT, THE BULK WAS IN CREDITS. TO REACH THE FORECASTED DISBURSEMENT OF DOLS 3.5 BILLION BY END-1354, A SIGNIFICANT ACCELERATION OF ASSISTANCE PROGRAMS MUST OCCUR.

4. IRAN'S BALANCE OF PAYMENTS DATA FOR THE FIRST SIX MONTHS, IN MILLIONS OF DOLLARS, AND AS PROVIDED BY THE CBI FOLLOW IN SUMMARY:

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MAR-SEP '74    MAR-SEP75 PERCENT CHANGE

CURRENT ACCOUNT RECEIPTS	10,062	11,389	13.2
(OIL SECTOR	9,090	10,175	11.9)
PAYMENTS	4,724	9,955	110.7
BALANCE	5,338	1,434	
CAPITAL ACCOUNT BALANCE	-1,398	-1,381	

(FOREIGN ASSISTANCE -680 -1,166 71.5)

OVERALL BALANCE 3,941 -200

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
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**Disposition Date:** 28 MAY 2004  
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